

THE HONORABLE RICHARD McBRIDE,
PREMIER OF BRITISH COLUMBIA

The Business Record of a Business Government



THE BUSINESS RECORD OF A BUSINESS GOVERNMENT

At the moment when the McBride Government for the third time in its existence is about to ask the verdict of the people whose affairs it has so successfully administered for the past six years, it is no more than is demanded by plain business commonsense that a glance should be taken at the record of their past conduct of Provincial affairs, to form a correct judgment of their fitness for a continuation of the public confidence. Such a survey of this record is briefly made hereunder, taking the leading departments of administration and summarizing their work, and also referring to those larger matters of policy where the relations of this Province to the Dominion as a whole have to be considered. The present conditions of unexampled prosperity which prevail throughout British Columbia are the best proofs of the wisdom and efficiency with which the various departments have been conducted, and, in placing these details before the people for their verdict, it may be stated without fear of contradiction that the methods which have brought the present prosperity about are as creditable to the business ability of the men who employed them as that prosperity is creditable to the resources of the Province as a whole.

PROVINCIAL FINANCES.

The Government of a country is as much a business as any commercial institution, and the first questions relating to it that are asked will concern its financial ability and the financial standing of the country which it administers. Is it on a paying basis? What are its liabilities? In what relation does its expenditure stand to its revenue? These are the first questions, in Government and in commerce, and the main questions, upon a satisfactory or otherwise answer to which the verdict of success or failure will be rendered.

Judged, then by this purely business standard, the McBride Government takes a very high place. And this on two grounds. Not merely are the finances of British Columbia to-day in an eminently satisfactory condition, not merely is the revenue of the Province in excess of its expenditure, but it is to be remembered that this gratifying state of affairs has been brought about in the face of such adverse circum-

NWp
971.5
B979
c.2

2287-358

stances and difficulties as no other Canadian Province has ever been called upon to confront and overcome. It is only when comparison is made between the condition of the Provincial finances six and a half years ago and their condition to-day that comprehension is possible of the magnitude of the task so successfully carried out.

It would serve no good purpose to dwell at length upon the low state of British Columbia's credit and finances which existed when the McBride Government came into power. It is sufficient to say here that a long series of previous Governments had, partly through extravagance and partly through simple bad management, brought the Province to the verge of bankruptcy. For years past, expenditure had been largely in excess of revenue, the resulting deficit had again and again been covered by borrowing—often under most disadvantageous conditions—until, in 1903, when the McBride Government assumed the reins of office, they found themselves face to face with a financial crisis, the severity of which may be judged from the fact that, so low had the credit of British Columbia sunk, the banks had given warning not to draw any more cheques.

A direct result of the deplorable condition of the Province's credit—and one even more far-reaching in its disastrous effects—was that outside capital, naturally influenced by the financial conditions of the Province itself, refused to come to the aid of private enterprise. Hence, industrial expansion and commercial development both languished.

Thus, the task which faced Mr. McBride and his colleagues on taking office was one which might well have appalled the ablest statesman. In round numbers, the gross liabilities of the Province then exceeded twelve and a half million dollars. In addition to this, there was an overdraft of one and a half million dollars in the bank which, as stated above, refused all further credit. To attempt to raise a loan in London, under the existing conditions, would have been the sheerest folly.

There remained one way—only one way, and that not a pleasant one—out of the difficulty. That way was, put in a few brief words, to create new sources of revenue, to raise the taxes and economize in the expenditure of money in the public service. This way, full of difficulties and disagreeable as it was, Mr. McBride and his colleagues adopted unflinchingly. If they had their reward at the time in the denunciations of their financial policy by their political opponents, the outcry of the people, the merchants and the manufacturers, who were too short-sighted to see that the unpleasant medicine was the only cure for the Provincial sickness—they

have certainly had their reward since in the splendid prosperity of British Columbia at the present, in the raising of the Province to a height it has never before attained, in the steady influx of capital for industrial and development purposes, and in the high praise which their financial policy has received in all the great money-markets of the world.

It was an object lesson in the power of business-like administration to speedily remedy the results of incapacity and extravagance, to watch the quick recovery of this Province under the new financial policy. While it took from three to four years of the most careful financial administration to put the affairs of the Province on the sound footing which a continuance of the same wise policy has since developed into the prosperity which we all now enjoy, it was nevertheless, not two years before the improvement began to show itself in a marked and unmistakable degree. Thus, the fiscal year of 1903-4, the first year of the McBride administration, showed a reduction from the record of net expenditure over net revenue of the previous year 1902-3, which amounted to \$1,348,552, down to the low figure of \$224,534, while the following fiscal year, 1904-5, showed an excess of net revenue over net expenditure amounting to \$618,044. Put briefly, the remarkable difference in business capacity between the McBride Government and their predecessors may be judged from the fact that, for the five years 1898-9 to 1902-3, previous to their taking office, the excess of net expenditure over net revenue was \$3,671,233. While in the five fiscal years from 1903-4 to 1907-8 the excess of net revenue over net expenditure amounted to \$4,998,647. No words could more fully bear evidence of the fitness of the McBride Government for the trust of the people of British Columbia than these convincing figures.

AGRICULTURE.

The business ability of the McBride Government did not take the common and fatal form of attempting to reduce the Provincial indebtedness by stopping expenditure on Provincial development, or by ignoring the important consideration of increasing the Provincial Revenue. No more striking testimony can be offered to the wisdom with which the great resources of British Columbia have been developed by the present Government than is furnished by the remarkable advance made in the past six years by the agricultural industry of this Province, including under the term of agriculture both fruit, stock and poultry raising. The agricultural progress has, in a word, fully kept pace with the rapidity of

its advance in other respects, and this is directly due to the fact that the Provincial Government recognized its importance as one of the chief factors in the development of the country, and, at as early a date as the rehabilitation of the Provincial finances rendered it possible proceeded to completely reorganize the Agricultural Department. This has now been divided into two branches under the Deputy Minister, the horticultural branch being under a horticulturist and two assistants, with special qualifications for studying the entomological and other conditions which may affect the fruit industry and for rendering assistance to the Inspector of fruit pests; while the other branch is under the livestock commissioner, who is assisted by three inspectors of animals (all qualified veterinary surgeons) whose duty it is to visit all parts of the Province for the purpose of seeing the regulations carried out. The policy of testing cattle for tuberculosis free of charge, which has been adopted by the Government, also falls within the scope of duty of these officials.

The Government has also appointed a poultry expert, who will take exclusive charge of this branch, the object being to develop poultry raising and egg production on the co-operative plan, upon similar lines to those upon which creameries and cheese factories are operated.

The fruit industry in British Columbia has, under the fostering care of the present Government, attained dimensions within the past five years, which have already attracted the attention of the whole civilized world. In addition to doing all in its power to facilitate the raising of the highest quality of fruit throughout the Province, Mr. McBride's government has been successful in aiding the growth of a rapidly increasing export trade by securing reduced freight rates and proper care for the shipment of fruit. Not only have the government done all this, but, having done their utmost towards assisting the building of the export trade, they went abroad to create the markets. The method they adopted was both unique and effectual. Instead of following the old system of a display of fruit and the distribution of literature, the new plan was to follow up the fairs in the Northwest and in Great Britain by the shipment of fresh fruit in commercial lots. These fruits being exhibited, are then sold to dealers, or given away each day or so, being replaced by fresh shipments. Some idea of the success which has been attained by the Government's policy in this direction may be gained from the fact that in four successive years British Columbia took the highest award in Great Britain, winning practically all the gold and silver medals at the Royal Horticultural Society in London, and at the leading fairs throughout Great Britain. In

fact, the advance made in the Old Country by the fruit of this Province may be fairly well gauged by the number of winnings recorded in this exhibition, several medals being won in 1905, eight medals in 1906, fifteen medals in 1907, and twenty-two medals in 1908. An active demand for British Columbia fruit-lands has been the immediate outcome of this wise system of publicity.

Summarizing the results of the horticultural policy of the Provincial Government and its beneficial effect on the industry, it may be pointed out here that the census returns of 1901 give British Columbia 7,430 acres planted with 649,000 fruit trees, all of which were to be found in the Fraser Valley, Vancouver Island, and a few of the early settlements. There were no commercial orchards, and the Kootenay and Okanagan countries were not looked upon as fruit-growing districts at all. Seven years later, at the close of 1908, the fruit area of the Province is estimated at over 100,000 acres, an increase of 1,350 per cent. The fruit shipments in 1902 amounted to 1,955 tons. In 1905 they amounted to 6,498 tons, representing an increase of over 4,500 tons, and these figures only represent about fifty per cent. of the total crop, as at least half the fruit was used at home. The value of the crop of 1902 amounted to only \$391,000, while that of 1908 is estimated at \$1,300,000.

Still more marked is the increase of the dairying industry, of which some idea is conveyed when it is stated that whereas in 1901 British Columbia had only twelve creameries, producing 74,673 pounds of butter, valued at \$20,841; there were in 1908 no less than twenty-two creameries producing 1,845,977 pounds of butter, worth \$570,367. The allied industry of cheese making has been carried on in a small way in the Province for a number of years, but has only recently been placed upon what may be termed a commercial footing. Nevertheless, while the cheese production of 1907 was only 95,000 pounds, that of 1908 was 179,800 pounds or practically double that of the year preceding.

MINING.

The portfolio of mines is held by the Premier himself, and it may well be presumed that the principal industry of British Columbia would not be likely to be backward in development under the capable supervision which has placed on a footing of commercial profit so many other resources of this Province, much less well known a few years ago than her mineral wealth. And, in truth, the progress made by our mineral industry is a matter for both astonishment and pride. From a total mineral production for British Columbia in 1903

of the value of \$17,495,954, the output of the mines has steadily increased year by year until in 1907, it reached the figures—standing for a record at present, but likely to be beaten when this year's returns come in—of \$25,882,560.

And yet, when the circumstances of the case are considered, the output of last year, 1908, though some two and a half million dollars less in value than that of 1907, will be considered a much more remarkable evidence of the great and growing wealth of the mines of the Province. Because, whereas the record of 1907 was made with the prices of metal at a top figure, those prices—at least as regards copper and silver, two of the principal metals produced in the Province—were cut in half in 1908. And yet, in spite of this heavy reduction in values, the total worth of the product of our mines for 1908 was only two and a half million dollars less than that of the banner year of 1907.

The production of coal and coke has more than doubled itself in the past ten years, being in 1898 only of the value of \$3,582,595, whereas in 1908 it was worth \$7,356,866.

The remarkable progress of the mining industry, and the encouraging manner in which capital is now pouring in to develop our mineral resources, is directly due to the prudent policy followed by Premier McBride of refraining from the constant tinkering with mining laws which had been one of the gravest mistakes which the various governments which preceded him had made. In the old days before 1903 one piece of legislation with regard to mining had hardly become law, when it was rendered null and void by the passage of some other statute or set of amendments. Since, moreover, both the original law, the new statute and the set of amendments were almost always the work of persons who did not know the difference between a cyanide plant and an incubator, it may be well imagined how excessively ignorant, as well as contradictory, most of such legislation was. Naturally enough, capital refused to come into a country which had a new fashion in mining laws every session, and this state of affairs endured until Mr. McBride and his business government came upon the scene. Since then, the mining laws have been equitably administered, and only varied in such few details as were admittedly best in the interest of the industry. It is safe to say that among the many evidences which British Columbia presents of the able administration of Mr. McBride and his colleagues, no monument stands higher than the satisfactory condition of the mining industry.

LANDS, TIMBER AND IRRIGATION

With the possible exception of finance, there has been no department under the administration of the McBride Gov-

ernment which has been subjected to so much criticism on the part of the malicious or ignorant than that which may, for purposes of brevity, be comprised under the general heading of lands, timber and irrigation. And the topography of British Columbia is such, and her area so vast, that the proper administration of all three of these involved in each case a heavy expenditure of money—the very thing which the Government had least of at the commencement of its career. The basis of a suitable and a comprehensive policy to deal with the three subjects required, firstly, a thorough investigation of facts and conditions, secondly, an extensive system of surveys, and thirdly, roads and trails. All three of these preliminary requisites, to be effectual, required to be undertaken on a big scale at a large expenditure of money. Of necessity, then, the financial condition of the Province being as hereinbefore depicted at the commencement of the present Government's administration, it was absolutely necessary to delay the putting into execution of a comprehensive policy, dealing with lands, timber and irrigation, until such time as the Provincial finances should have been brought into a condition of strength capable of carrying it out.

This course has been followed, and the Government, once it found itself supplied adequately with the sinews of war, commenced on a carefully thought-out plan of operations. In the matter of irrigation, an exhaustive report was first obtained from a specially appointed commission on the question, and legislation was then brought down and passed through the House during the last two sessions, vesting complete control of all the waters of the Province in the Crown, and providing all necessary legal and statutory machinery for its equitable regulation and distribution.

A similar step in the direction of the conservation of the timber wealth of the Province has been taken during the present summer in the appointment and thorough investigation on the part of a Timber and Forestry Commission, whose enquiries have been of the most far-reaching and comprehensive description and upon whose report will be based the forming of a policy which will in all respects and for all time meet the requirements of the timber situation.

In the matter of surveys, the Land Department has entered upon a very active campaign, being able to appropriate for the present season a sufficient sum, in the neighborhood of \$200,000, to place twenty-two surveying parties in the field. With the steady increase of revenue this policy will be carefully followed out to its logical conclusion, when all the arable lands of the province will be located and allotted and the fullest and most definite information will be available as to every tract.

The necessary investigations of the timber, land and water resources for the purpose of government regulation and development, and, after that, for the full benefit of the public in whose interests the operations have been undertaken, involve a heavy expenditure in the construction of roads, trails and bridges. Here again the Provincial Government has made an energetic campaign, the appropriation for public works for this year alone amounting to nearly \$3,000,000—a sum larger than the entire Provincial revenue of a few years back. The greater part of this is being spent for roads, with a liberal allowance for surveys.

It will be seen from the above brief particulars that the three principal requisites for development on a big scale are being carried out together by the Provincial Government in a manner which will ensure to the public the fullest value for their expenditure. This should satisfy those who, for political purposes, have represented that the country was being wilfully left undeveloped and unsurveyed, and silence the complaints as to the difficulty of getting information for those who contemplate settlement. Work of this nature is not done in a day, nor is it done without money. The McBride Government knew this better than their critics, and did not attempt the performance of so large a task until the Provincial finances were in shape to cope with the expenditure.

Referring back for a moment to the policy of the Provincial Government in regard to timber, that part of it must not be overlooked, which has been designed to retain within this Province the benefit of the manufacture of that timber. From the very dawn of commercial history, the country which exported its raw material has remained poor, while the country which manufactured that raw material, whether its own or imported, has grown rich. Of this fact the McBride Government was well aware, and one of their first actions was to so amend and regulate the laws preventing the exportation of logs from the Province as to ensure that every stick of timber cut in it should also be manufactured in it. This has been done so effectually that a large number of American capitalists have come into British Columbia and erected or purchased mills and created a large industry with heavy payrolls, which would otherwise have been established in the United States.

Steps were also taken to call to account the holders of pulp timber concessions, with the result that they were forced to operate their concessions or have them cancelled. The industry is likely to be an extensive one in the near future, and the government's action has weeded out of it a very undesirable element.

THE RAILWAY POLICY of the McBRIDE GOVERNMENT

At the first session of his administration, in the early spring of 1904, Mr. McBride, in reply to a question from the Liberal benches in the Provincial Legislature as to whether the House would hold an extra session in the autumn of that year to discuss railway matters, stated that his Government would neither call the House together for such a special purpose, nor enter into any negotiations with respect to railway construction, unless the parties approaching the Government on such a subject were responsible men, possessed of the requisite capital and backing, and in every way equipped to carry out their undertakings.

This policy has been steadily held to by the Provincial Government ever since. No charter-mongers or promoters of paper railways, have been able to get the ear of the House, and the Government have waited till they were able to place before the people the present agreement with Mackenzie & Mann for the construction of the Canadian Northern in British Columbia.

The careful manner in which the interests of the people have been safeguarded in all railway matters, as in everything else, has been excellently shown by the Provincial Government's transactions with the Grand Trunk Pacific Railway Co. This company was authorized by Act of the Dominion Parliament to construct a transcontinental line through the Dominion of Canada—and was heavily paid for so doing. In the framing of the Act, however, provisions for construction in British Columbia were deliberately omitted, the railway company being left with a free hand to force what concessions it could out of this unprotected Province as a condition of building therein. They came to the Provincial Government and demanded a large land grant, cash subsidies, remission of taxation, and townsites. The Provincial Government refused to give away either the land or the money of the people, and continued firm, in spite of the pressure put upon them by the Dominion Government. The railway company accordingly started construction in every other province in Canada where their route lay, except British Columbia, in spite of the

pledges of the Dominion Cabinet to our people that construction of this railway should commence in British Columbia simultaneously with construction in the other provinces. In the meantime, the Dominion Government and the Liberal party made repeated attempts to put the McBride Government out of power, in order that a Liberal Provincial Government, who would give the Grand Trunk the land and cash subsidies it had asked for, might be put in power. These attempts, however, were fruitless.

There was, therefore, no construction of the Grand Trunk Pacific in this province until last year, when the railway company, finding that the Liberal party in power at Ottawa was unable to help it, was forced to come to terms with the McBride Government. The result was an arrangement between the Government and people of British Columbia and the Grand Trunk Pacific whereby the interests of the people were completely protected, the railway company being forced to buy the lands which the Dominion Government would have made it a free gift of, and the province of British Columbia holding a quarter share of the townsite of the railway company's terminal city of Prince Rupert.

This agreement has been justly termed the best bargain which a Canadian Province has ever made with a railway company, and its excellence is in itself a guarantee that the agreement with the Canadian Northern, upon which the people are now asked to decide, is to the full as carefully drawn up in the protection of their interests.

Some idea of the extent to which the Dominion Government at Ottawa was prepared to give away the lands of British Columbia to the Grand Trunk Pacific Railway Co., without any compensation whatever to the people of the province, may be gathered from the perusal of an extract from a Report of the Committee of the Privy Council, under date of 2nd April, 1906. This extract, after reciting that the Grand Trunk Pacific Co. had applied to the Indian Department for permission to purchase 13,519 acres of Indian Reserve lands on Kaien Island, Digby Island and part of the Tsimsean Peninsula, goes on to suggest that, since British Columbia would not be asked to convey other lands to the Indians to replace the area applied for, and that since the sale of the land would be to the advantage of the Dominion as well as this Province, it would be well if the Provincial Government were to waive its reversionary interests in the land under the provisions made in 1876, between the Province of British Columbia and the Dominion Government.

This remarkable proposition was sent to the Lieutenant-Governor of this province, and by him submitted to Mr. Mc-

Bride and his colleagues, who, needless to say, refused to have anything to do with such a giving away of the lands of the people. But the incident is of interest, as showing to what lengths the Liberal party was, and is, willing to hand over the lands of the province to the Grand Trunk. To-day the people of British Columbia are drawing a handsome revenue from these lands, which the Dominion Liberal Government would have given away free, and they owe this protection of their interests to the McBride Government.

THE ASIATIC QUESTION

Another point of dispute between the McBride Government and the Dominion authorities has been with respect to the admission of Asiatics into this province, and their employment on the Grand Trunk Pacific. This the Provincial Government has steadily refused to permit, and has repeatedly passed Anti-Asiatic Legislation in the Provincial House. This legislation has always been disallowed by the Dominion Parliament, Sir Wilfrid Laurier himself stating last year that he was not at all in sympathy with British Columbia in her objection to admitting Asiatic labour. The Grand Trunk Pacific are constantly demanding that they shall be allowed to import and employ Asiatics, both Sir Charles Rivers Wilson, Mr. Hays and Mr. Wainwright, leading men of the company, having repeatedly stated that they must either have Asiatic labour or be forced to ask for an extension of time in which to complete the railroad.

In contrast to the action of these men is the expressed declaration of Mr. D. D. Mann, of the Canadian Northern, who states that his company neither requires nor desires Asiatic labour. Moreover, in the agreement between the Provincial Government and the Canadian Northern, which is now before the people, there is a special clause providing that no Asiatics shall be employed on the construction of this railway in British Columbia.

FAIR WAGE CLAUSE.

Another important clause in the agreement between the McBride Government and the Canadian Northern is that providing for a fair wage scale, based on the current rate of pay obtaining on such work. This is, however, only in line with the policy which has always been pursued by the McBride Government, which has invariably shown itself desirous of protecting the interests and advancing the welfare of the workingman.

EDUCATION.

To no matter affecting the progress of the people of British Columbia has the Provincial Government paid more attention than to that of education. Indeed, it may be said that the entire department has been reorganized, mainly in the direction of vesting to a very large extent all local responsibility in boards of school trustees. Thus, with few exceptions, including remote and thinly settled localities, the school districts into which the province is divided have been given power to assess themselves for the maintenance of the schools. The local departments are, of course, to some extent subject to the regulations of the general Department of Education, but the result has been a very markedly beneficial one, tending towards a higher system of education, with greatly improved facilities.

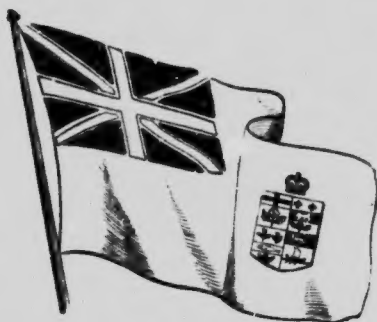
This last particular is especially due to the adoption by the Provincial Government of a free text-book system, such as has already been provided in the provinces of Alberta, New Brunswick and others in the Dominion, with the exception that, in this province, instead of the text-books, when issued, becoming the property of the pupil, they are loaned on certain conditions, thus forming a sort of educational lending library, a book being charged to a pupil and marked off when returned. This arrangement has met with great favour, all the common and graded schools of the Province, with one or two exceptions, having taken advantage of it, and the Provincial Normal School being supplied from this branch.

Another most important educational measure has been the introduction of legislation providing for the incorporation and establishment of a University of British Columbia, an institution for which there has long been a growing need. The arrangements as finally passed in the Act are very complete, including, in addition to the regular academical courses, special branches in practical science, such as agriculture, mining, forestry and technical and industrial training generally. The selection of a suitable site for the institution has been placed in the hands of a Commission of three University principals of Eastern Canada, and upon the adoption of their report, construction of this most valuable addition to the Province's educational facilities will at once be commenced.

SUMMARY.

Whether one takes the above record of the business-like administration of a business Government as a whole, or whether it is examined clause by clause, it is a record of which

any Government has a right to be proud. The best test of its worth lies around us, in the prosperous condition of British Columbia, the richest province in the Dominion of Canada. A comparison of the deplorable conditions of commerce and industry six years ago in this province, with the present activity and growth in all lines which prevails from the Kootenays to the Coast, is the best testimony to the honesty, energy and ability of the Government which has brought these things to pass.



COLONIST  PRESSES